THE

CHARTER

OF THE

PHILADELPHIA

INSURANCE COMPANY,

PASSED FEBRUARY 7, 1851.

OFFICE No. 44 WALNUT STREET,
PHILADELPHIA.

PHILADELPHIA:
CRISSY & MARKLEY, PRINTERS, NO. 4 MINOR STREET.
1851.

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AN ACT

TO INCORPORATE THE

PHILADELPHIA INSURANCE COMPANY.

WHEREAS Joseph Cowperthwait, William Martin, Gideon G. Westcott, Thomas S. Newlin, Joseph M. Thomas, Siter, Price & Co., James Martin, William D. Lewis, Edwin Coolidge, Charles Macalester, C. S. Boker, Nathaniel Waldron, Edmund A. Souder, John C. Davis, Charles R. Hawes, John B. Myers, Samuel Bispham, Bowlby & Brenner, Thayer, & Cowperthwait, John Grigg, Hugh Elliot, J. B. Lippincott, Morris L. Hallowell, A. Hart, Charles Magarge, Hulings Cowperthwait, Joseph W. Cowan, Robert Lindsay, Presley Blakiston, Theophilus Paulding, Jacob M. Thomas, Wetherill & Brother, Daniel L. Miller, Jr., Joseph Trotter, E. S. Whelen & Company, Joseph Swift, Charles Desilver, Charles Henry Fisher, Jacob Thomas, John Fagan, James Crissy, Isaac Lea, Frederick Brown, Thomas C. Hand, Arthur G. Coffin, John Hill Martin, William A. Blanchard, Algernon S. Roberts, Samuel E. Stokes, E. C. & J. Biddle, Jason L.

Fenimore, T. G. Hollingsworth, Marmaduke Moore, Robert F. Walsh, John M. Hildeburn, L. Johnson, Edward C. Markley, C. Sherman, T. K. & P. G. Collins, William W. Keen, Oliver Martin, Henry Lylburn, John S. McMullin, William M. Christy, William Goodrich, J. H. Butler, Caleb W. Hallowell, William W. Frazier, and William Martin, Jr., have associated themselves together, and have subscribed for one thousand shares of stock at one hundred dollars per share, for the purpose of making Fire, Marine and Inland Insurances, and transacting the business connected therewith, and have applied to the Legislature for an Act of Incorporation for said purposes :—

SECTION 1.—*Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same*, That the aforesaid persons and those who may hereafter become associated with them, shall be known and styled the "PHILADELPHIA INSURANCE COMPANY," and by the same name have perpetual succession, and shall be able to sue and be sued, implead and be impleaded in all courts of record and elsewhere, and to make and to have a common seal, and the same to break, alter and renew at pleasure, and also to ordain, establish and put in execution such by-laws, ordinances and regulations as shall appear necessary and convenient for the government of said Corporation, not being contrary to the Constitution or to the laws of the United States, or of this Commonwealth, and generally to do, all and singular, the matters, which to them,

it shall lawfully appertain to do, for the well being of the said Corporation, and the due management and ordering of the affairs thereof.

SECTION 2.—That the capital stock of the Philadelphia Insurance Company, shall consist of one thousand shares of one hundred dollars each, subscribed for as aforesaid, to be paid in such instalments as the Board of Directors of said Company may determine, which said capital may, at any time hereafter, be increased by them, not exceeding five thousand shares of one hundred dollars each, and if any subscriber, his or her assignee or transferee shall refuse or neglect to pay the first or any subsequent instalment called for and demanded by the Directors as aforesaid, such subscriber, his or her assignee or transferee, shall forfeit each and every share on which the payment shall not be duly made on account of the share or shares so forfeited, and new subscriptions may be opened and received for the share or shares so forfeited, at the discretion of the Board.

SECTION 3.—That the affairs of said Company shall be managed by twelve Directors, Stockholders of the said Corporation, who shall be elected annually on the first Monday of January, between the hours of ten A. M., and two P. M., and the Directors so elected, shall appoint a President and Vice-President of the Company, and such other officers and agents as they may deem necessary for conducting the business of said Corporation, who shall perform the duties of their respective offices until they shall be re-elected, removed

from office, or their successors shall be chosen, the said Directors shall allow the persons so appointed, such compensation for their services respectively, as they shall deem reasonable, and generally to exercise all other powers and authorities, for the well governing and ordering of the affairs and funds of the said Corporation, as this Act confers or allows, or as hereafter may be conferred or allowed, by the laws, regulations and ordinances of the said Corporation. In case of death or resignation of any Director, the vacancy occasioned thereby, shall be filled by the remaining Directors.

Section 4.—That at all elections for Directors, the votes of the stockholders shall be by ballot, each share of stock having one vote, but no number of shares above fifty, shall give any right to additional votes; no stockholder shall vote by proxy, nor shall any stockholder be entitled to vote, unless the share or shares held by him or her, shall have been standing in his or her name on the books of the said Corporation for three months previous to said election: *Provided*, That every stockholder at the time of the first election of Directors, shall have, and enjoy the privilege of voting as aforesaid; and the first election of Directors shall be held on the third Monday, from and after the passage of this Act, and the Directors chosen at said election, shall hold their offices until the first annual election, as herein provided for, and until new Directors shall be chosen.

Section 5.—That the Philadelphia Insurance Company shall be empowered to take risks against fire on all kinds of

buildings, merchandise and other property, either limited or perpetual, and further, to effect marine and inland insurances on vessels, cargoes and freights, and on merchandise and other property transported on rivers, canals, lakes and railroads, and by steamboats, wagons or otherwise, and to execute such agreements, policies and other instruments, as shall or may be necessary to effect the same.

SECTION 6.—That it shall and may be lawful for said Company, to employ and invest their capital stock and other monies of said Company, in bonds and mortgages on real estate, in respondentia, bottomry, ground rents, stocks or loans of the United States and State of Pennsylvania, and in stocks or loans of any borough, city or institution incorporated by the laws of this State, and in other good securities, and to sell and transfer the same, and to re-invest the proceeds of such sale or transfer in other such loans, stocks or securities: *Provided*, That nothing in this Act shall prevent said Company from receiving, purchasing or holding any real or personal property, stocks or other securities in payment of debts due them, or to secure the same in any manner that the interests of the said Corporation may require, or to purchase and hold such real estate as may be necessary to accommodate the said Corporation in the transaction of the business thereof, and to sell, assign and convey the same in fee simple or otherwise: *And provided also*, That the said Corporation shall not exercise any banking privileges, or issue any certificates, or other paper, to be circulated as bank paper.

SECTION 7.—That the shares of stock of the said Corporation, shall be assignable and transferable only on the books of the Corporation, according to such rules and regulations as the Directors shall for that purpose ordain and establish, and not otherwise.

SECTION 8.—That the Directors shall on the first Monday in November, in each and every year, declare a dividend of so much of the profits of the Corporation, as to them shall appear advisable, and the dividends so declared, shall be paid to the respective proprietors, agreeably to such rules and regulations as the Directors shall make for that purpose, but the monies received as premiums on risks, which shall be undetermined at the time of making such dividend, shall not be considered as a part of the profits of the Corporation, and in case of any loss or losses, whereby the capital stock of the Company shall be lessened, no subsequent dividend shall be made until a sum equal to such diminution shall have been added to the capital.

SECTION 9.—That within thirty days after the declaration of the dividend as aforesaid, the Officers of the Company shall cause to be made and published in two or more daily newspapers, published in the city or county of Philadelphia, a general balance sheet of the affairs of the said Company, which shall contain

I.—The amount of premiums received during the previous year, specifying what amount for fire risks, and what amount for marine and inland risks.

II.—The amount of expenses of Company during the year.

III.—Amount of losses incurred during the year, specifying what amount on fire, and what amount on marine and inland risks.

IV.—The balance remaining with the Company.

V.—The nature of the security on which the same is invested, specifying what amount is invested in real security, what in stocks, what amount in state or national loans, what amount in other securities, and what amount in cash on hand.

JOHN CESSNA,
Speaker of the House of Representatives.

BENJAMIN MATTHIAS,
Speaker of the Senate.

Approved the seventh day of February, A. D., one thousand eight hundred and fifty-one.

WM. F. JOHNSTON.

SECRETARY'S OFFICE.

Pennsylvania, ss.

I DO HEREBY CERTIFY, that the foregoing is a true and correct copy of the original Act of the General Assembly of this Commonwealth, entitled "An Act to incorporate the Philadelphia Insurance Company," as the same remains on file in this Office.

Witness my hand and the seal of said Office at Harrisburg, this seventh day of February, A. D., 1851.

A. L. RUSSELL,
Secretary of the Commonwealth.

A SUPPLEMENT

To an Act entitled an Act to Incorporate the Philadelphia Insurance Company.

SECTION 1.—*Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennslyvania in General Assembly met, and it is hereby enacted by the authority of the same:* That the Philadelphia Insurance Company, shall have power and authority to make Marine, Inland Transportation, and Fire Insurance upon the Mutual Principle, on the same terms and conditions, and with the same corporate privileges and immunities, and under like restrictions as the Columbia Mutual Insurance Company is authorized to make, agreeably to an act entitled a "Supplement to an Act entitled 'an Act to Incorporate the Columbia Insurance Company of Philadelphia, approved the Eleventh day of March, A. D. 1850:'" *Provided*, That the Capital Stock of the said Philadelphia Insurance Company, the authority to increase the same, and the payment

of the instalments thereon, shall be and remain as the same are provided for in the act to which this is a supplement.

JOHN CESSNA,
Speaker of the House of Representatives.

BENJAMIN MATTHIAS,
Speaker of the Senate.

Approved the Twenty-ninth day of March, A. D. eighteen hundred and fifty-one.

WM. F. JOHNSTON.

SECRETARY'S OFFICE.

Pennsylvania, ss.

I DO HEREBY CERTIFY, that the foregoing and annexed is a true and correct copy of the original Act of the General Assembly, entitled "A Supplement to the Act entitled 'An Act to incorporate the Philadelphia Insurance Company,'" as the same remains on file in this office.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and caused the Seal of the Secretary's Office to be affixed at Harrisburg, this twenty-ninth day of March, in the year of our Lord one thousand eight hundred and fifty-one.

A. W. BENEDICT,
Deputy Secretary of the Commonwealth.

ACT

Referred to by the foregoing Supplement.

SECTION 1.—*Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same:* That from and after the passage of this act, and the acceptance thereof by the Board of Directors of the said [Philadelphia Insurance Company,] it may and shall be lawful for any and every person to insure marine, fire and inland transportation risks with the said company, and to become members of the said corporation, and be entitled to a pro rata share of any profits which may be made by such insurance, to be declared and divided as hereinafter directed by the provisions of this act.

SECTION 2.—The Directors shall, on the first Monday in November, in each and every year, cause a balance to be struck of the affairs of the Company, and if there shall be a surplus after paying losses and expenses for the year preceding the same, they shall first set aside six per cent. on the actual value of the capital stock out of the said surplus, which valuation shall be estimated by the said Directors for that purpose, and the remainder shall be divided among the

stockholders and insured members in proportion as their respective amounts of stocks held, or premiums determined, may bear to the collective sum of stock so valued, and premiums as aforesaid.

SECTION 3.—Within thirty days after the yearly balance of the affairs of the said Company shall be struck, the Directors shall cause to be paid to the Stockholders, in cash, six per cent. on the said valuation of their stock, if the surplus amounts to so much, and for the remainder they shall issue the Company's certificate to such insured member and stockholder, agreeably to the provisions of the last Section, stating the amount of such surplus which shall be ascertained to be due him, on striking said balance. Such certificate shall be entitled to an interest or dividend, not exceeding six per cent., to be paid out of the profits thereafter declared by the Company.

SECTION 4.—The profits of the said Company shall in no case be withdrawn, except as herein provided, but shall remain liable to all losses and expenses thereof, such liability to be expressed on the face of said certificates, and the President and Directors in case of loss shall have the power to declare a pro rata deduction of the amount of the outstanding certificates, and to call in the original certificates and issue new ones in their stead, less the pro rata reduction, and no dividend shall be declared, or certificate issued, nor interest paid, either to stockholders or certificate holders, when the capital stock shall be reduced by losses or expenses,

to an amount below the aforesaid valuation; nor shall any interest be paid on certificates of surplus profits, until the said interest on the stock of the Company be first provided for.

SECTION 5.—No certificate shall issue for any sum less than ten dollars, nor for any fractional part of ten dollars, but all such fractional parts or sum or sums less than ten dollars shall be passed to the contingent fund of the Company, and applied to the expenses and other charges thereof; the said certificates shall not be transferable except on the books of the Company, and a tranfer book shall be kept for that purpose. No certificate shall issue to any person who is in debt to said Company, and no transfer shall be permitted so long as the holder is indebted to said Company. Certificates shall be subject to and bound by any judgment the Company may obtain against the holder thereof, and the interest of such holder may be sold under an execution issued on said judgment as any other species of personal chattel. No certificate shall issue unless claimed within two years after the declaration of the dividend, whereof it is evidence, but the amount thereof, shall, at the expiration of that time, be carried to the credit of said Company.

SECTION 6.—Every insured member, or certificate holder, having paid the amount of his or their respective premiums, premium notes, subscription notes, and other debts due said Company, shall be free from any liability or responsibility for or on account of any and all losses and expenses which said Corporation may at any time sustain or incur.

SECTION 7.—The said Company may, from time to time, receive notes or other securities, real or personal, as premiums from persons intending to effect insurances therewith, or from any other person or persons, under such regulations or agreements as shall be authorized by the Directors, which said notes or other securities may be negotiated, transferred or conveyed, by the said Company, for the purpose of paying claims for losses accruing in the course of its business, and on such portions of said notes or securities as may exceed the amount of premiums paid, or agreed to be paid by the parties from whom the same may have been received, the said Company may allow and pay such interest or other compensation, not exceeding five per cent. per annum, as may be agreed upon by the Directors.

SECTION 8.—Perpetual, or permanent insurances may be taken as heretofore, without the parties thereto becoming members, or being entitled to any part of the profits of said Company.

SECTION 9.—The affairs of the Company shall be managed by twenty-eight Directors, to be chosen annually, hereafter, on the first Monday in January, between the hours of ten A. M., and two P. M., from among the members of the Corporation. The Directors, for the time being, shall appoint a President and Vice President of the Company, and such other officers as they may deem necessary for conducting and executing the business of the said Corporation, who shall perform the duties of their respective offices until they shall be re-elected, or their successors shall be chosen.

SECTION 10.—At elections for Directors, each share of stock shall have one vote, and each insured member for any sum paid as a premium of insurance to said Company, during the year preceding said election, amounting to twenty dollars, one vote, and for every additional twenty-five dollars paid as aforesaid, one vote.

SECTION 11.—Suits at law may be prosecuted and maintained by any member against said Corporation, for losses or damages insured against by them, if payment is withheld more than sixty days after the Company is duly notified of such losses, and no member of the Corporation not being in his individual capacity a party to such suit, shall be incompetent as a witness.

SECTION 12.—When the net profits or surplus remaining in the possession of the Company shall exceed the sum of two hundred and fifty thousand dollars, the excess may be applied to the redemption of the certificates issued by the Company, in such manner and at such times as the Directors thereof may deem proper and expedient, and all claim or right to any interest or dividend on said certificates, shall cease after two weeks notice, published in two of the daily papers of the city of Philadelphia, that the Company will redeem the same.

SECTION 13.—So much of the Act to which this is a supplement, as is hereby altered or amended, or is inconsistent herewith, shall be, and the same is hereby repealed.

BY-LAWS

OF THE

PHILADELPHIA INSURANCE COMPANY,

ADOPTED FEBRUARY 28, 1851.

ARTICLE I.

The office of the Company shall be open for business from nine o'clock, A. M., until three o'clock, P. M., every day in the year, except Sundays, Christmas and Fourth of July.

ARTICLE II.

The stated meetings of the Board shall be held at the office of the Company, in the city of Philadelphia, on the second Thursday in each month, at such hour of the day as the Board, at any stated or other meeting, may direct.

Five members shall constitute a quorum for the transaction of business, which shall be conducted as follows: When the presiding officer assumes the chair, the members present shall take their seats, and observe order.

The minutes of the preceding meeting shall then be read, and approved or amended, before the Board of Directors shall proceed to any other business. Motions to amend the minutes shall be made and acted on without debate.

Every member presenting a paper to the Chair, shall first state its general purport, and all resolutions and reports from Committees, if required, shall be in writing.

A motion, made and seconded, shall be repeated by the President; and, if required, shall be reduced to writing, and may be withdrawn by the member who makes it, before amendment or decision.

No business before the Board shall be interrupted, except by motion for the previous question, postponement, commitment, and amendment. Motions for the previous question shall preclude amendment on the original subject, but a motion to adjourn shall always be in order.

A member may call for a division of a question, when the sense thereof will admit of it, and may ask to have the yeas and nays recorded on all questions for the decision of the Board.

In all debates, the members shall address the presiding officer. No member shall be interrupted while speaking, nor shall he speak more than twice on the same subject, without permission of the Board. Any member called to order may explain himself, and if the presiding officer shall declare him out of order, he may appeal to the Board; and, if such appeal be seconded, the Board shall decide.

ARTICLE III.

The election for Directors shall be held at the Company's office, in the city of Philadelphia, on the day appointed by Act of Incorporation. And the Board shall, at its stated meeting in December, appoint two members of the corpora-

tion Judges to conduct the same agreeably to the charter; but if the Board should omit or neglect to make such appointment, the President may, on or before the day named in the charter, make the appointment as aforesaid, and the Judges so appointed shall conduct the said election, and report, in writing, the names of those persons having the greatest number of votes, who shall be declared duly elected; whereupon, the Secretary shall give said Directors notice of their election; and that the Board will hold their first stated meeting at twelve o'clock, on the second Thursday in January.

ARTICLE IV.

The President of the Company shall preside at all meetings of the Board of Directors. He shall have the general charge, supervision and direction of the business of the Company, as well as of all matters connected with the interest and objects of the Institution.

He shall receive all applications for insurance, and make all contracts for the same, in the name of the Company; sign all policies, checks, certificates, and other papers issued by the Corporation, and cause the seal of the Company to be affixed thereto, when required by law, or the usages of Insurance Companies.

He shall represent the Company at all meetings of underwriters.

He shall appoint, with the concurrence of the Committee on Risks and Premiums, all Agents for the Institution; and do and perform all the duties pertaining to the office of President of an Insurance Company.

The President shall appoint all the Standing Committees, and be ex-officio a member of the same, who shall report their proceedings at the stated meetings of the Board.

The President, or any four members, may call a special meeting of the Board at such time as he or they may direct.

The Vice President, in the absence or inability of the President, shall perform the said duties.

ARTICLE V.

The Secretary shall keep the minutes of the Board; the general accounts of the Company, as well as a regular cash account; attest all policies, certificates, checks, and other papers issued by the Corporation: have the care of all books, papers, documents, and other property of the Company; deposit all monies agreeably to the 10th Article of these By-Laws; make monthly reports of the business of the Company to the Board of Directors, or oftener if required, and generally do and perform all other acts pertaining to the office of Secretary.

ARTICLE VI.

There shall be a committee appointed on Risks and Premiums, to consist of three members, who shall, in connection with the President, make general rules regulating the extent and amount of Risks to be covered by the Company's Policies, and adopt such a tariff of premiums and other regulations in reference thereto, as they may deem expedient.

ARTICLE VII.

There shall be a Committee of Claims appointed, to consist of three members, who shall have authority to examine

and decide upon all claims for losses against the Company, and to determine upon the payment or compromise thereof, or to resist payment thereof, with authority to employ the services of the Solicitor of the Company.

ARTICLE VIII.

There shall annually be appointed a Committee of Accounts, to consist of three members, who shall, on the first Monday in November, in every year, examine the books, accounts, securities, monies, papers, and effects of the Corporation, and cause a balance to be struck of the affairs of the Company for the year preceding the same, and report the same to the Board.

ARTICLE IX.

There shall be annually appointed a Committee of Finance, to consist of three members, who shall have authority to invest and loan the funds of the Company, according to the Act of Incorporation, and of providing means to meet claims against the same; subject to such general rules and regulations as the Board may from time to time establish for their government.

ARTICLE X.

One or more bank accounts shall be kept in such banks as the Committee of Finance may direct, where the monies of the Corporation shall be deposited for safe keeping, agreeably to the rules and regulations which said Committee may establish. Or the monies may be placed in such other depository for safe keeping, as they may from time to time direct.

ARTICLE XI.

All insurances made, or risks taken, shall be in conformity with the rules, rates and regulations established from time to time by the Committee on Risks and Premiums.

ARTICLE XII.

The stock of the Corporation shall be assignable and transferable on the books of the Company only, by the person in whose name the same appears, or by his or her duly authorized attorney, executor or administrator, or legal representative; but no transfer shall be made, or certificate issued, until the certificate originally issued be surrendered and cancelled. The power of attorney, letters of administration or letters testamentary, or certified copies thereof, shall be deposited with the Company, or such evidence of authority to transfer as may be satisfactory to the officers thereof. In all cases of lost certificates, the Board shall, before a transfer is made, direct such notice thereof, and proof of loss, as they may deem expedient and proper.

ARTICLE XIII.

The books for the transfer of stock shall be closed fifteen days immediately preceding the day appointed for balancing the general accounts of the Institution.

ARTICLE XIV.

Any alteration or amendment of these By-Laws, must be submitted at one meeting, and be acted upon at the next, and require a majority of the whole Board to adopt the same.